

February 1, 2012

To: Members of the Assembly Committee on Financial Institutions
From: Sen. Glenn Grothman
Re: Assembly Bill 493

Assembly Bill 493 streamlines DFI's responsibilities regarding involuntary dissolution of corporations. Under current law, if two written notices to a company are returned undeliverable or if the company's address cannot be determined, DFI must place a "class 2" notice in the official state newspaper. This bill allows DFI to publish the information instead on their website. It also requires DFI to publish a "class 1" notice in the official state newspaper once a month for two years to inform the public of this change.

Because the vast majority of Wisconsin's population does not have easy access to the Wisconsin State Journal, this will expand access to the information while saving the department nearly \$100,000 a year.

The main concern about this bill is that it will instead decrease access to notices about involuntary dissolutions, because individuals will have to actively look for the DFI website, while it's possible – however unlikely – that the same individual might just happen across the information in the State Journal. Please keep in mind that the newspaper notice only occurs after a long process of trying to contact the corporation. It is far more likely individuals who purposely seek out and read these notices will pass the information on, and such individuals will continue to read the notices even if they move to the internet.

Thank you for your time. Please feel free to contact my office with any questions or concerns you may have.



State of Wisconsin
Department of Financial Institutions

Scott Walker, Governor

Peter Bildsten, Secretary

February 2, 2012

Representative Bill Kramer
Chair, Assembly Committee on Financial Institutions
Room 115 West
State Capitol
Madison, WI 53708

Dear Chairman Kramer and Members of the Committee,

On behalf of the Department of Financial Institutions (DFI), thank you for the opportunity to provide information in regards to Assembly Bill 493.


When a corporation or Limited Liability Company voluntarily dissolves, it files with DFI. DFI also has the authority to initiate the administrative dissolution of a corporation or Limited Liability Company (LLC). In order to accomplish an administrative dissolution, DFI must follow a number of steps for notification to the corporation or LLC of its dissolution. DFI is required to give two written notices to the entity. If the notices are returned undeliverable, DFI then must publish a notice which includes a list of the entity names that have been returned.

In order to maintain public access to information and reduce government spending, we are supportive of the modifications to the way DFI is required to publish the list of potential dissolved entities.

Under this bill, if DFI's follow-up notice is returned to DFI as undeliverable or if the entity's principal office cannot be determined from DFI's records, instead of giving the notice by publishing a "class 2" notice in the official state newspaper, DFI must give the notice by posting it on DFI's website. For two years, DFI must also publish a monthly "class 1" notice in the official state newspaper informing the public that these administrative dissolution notices are posted on DFI's website.

Over the last 4 years DFI has published notifications 16 times per fiscal year at an average annual cost of \$87,800. These costs would be dramatically reduced under this proposal.

Again thank you for the opportunity to testify today, we are pleased and supportive of the proposed changes.


Eric Knight
Executive Assistant
Department of Financial Institutions

Office of the Secretary

Mail: PO Box 8861 Madison, WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5th Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: www.wdfi.org